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DONALD E. BRANDT
Chairman of the Board and
Chief Executive Officer

Mail Station 9042
P.O. Box 53999
Phoenix, AZ 85072

August 26, 2019

Arizona Corporation Commission

DOCKETED

AUG 26 2019

DOCKETED BY

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Chairman Robert Burns
Commissioner Boyd Dunn
Commissioner Sandra D. Kennedy
Commissioner Justin Olson
Commissioner Lea Márquez-Peterson

ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

Re: Arizona Public Service (APS or Company)
Investigation and Review of the Commission's Disconnection Rules
Docket No. E-00000A-19-0128

Dear Chairman and Commissioners:

As Chief Executive Officer of Arizona Public Service Company, I have the distinct privilege of leading an outstanding team of 6,300 men and women who are committed to serving our customers and our communities.

APS is in the business of providing safe, reliable and affordable electricity for our customers and contributing to a robust economy in Arizona. We understand that many customers can be impacted by difficult circumstances: financial hardship, illness, death in the family, job loss, divorce, or any number of other factors. For customers who struggle to pay their bills, the Arizona Corporation Commission, our community, and APS share a common goal: to support them in maintaining access to the electricity they need. We all want to minimize disconnections. To achieve this end, we all must partner with relevant stakeholders – including state and federal government agencies and advocacy organizations – to ensure a strong safety net is in place for all Arizonans who are at risk during our state's weather extremes.

APS has a long history of supporting and working with community and nonprofit organizations that deliver programs and resources to assist our customers. Our employees throughout Arizona are deeply involved in the communities where they live and work. I am proud to work with these dedicated, talented people. As CEO, I trust and empower them to perform their roles with a focus on customer service and safety. Service – both providing electricity and being good citizens – is who we are as a company.

Our Energy Support Program is the most generous utility assistance program in the state. We expanded APS's Crisis Bill support for customers in need by \$1.5 million, to a total of \$2.75 million; \$500,000 was earmarked for Arizonans affected by the federal government shutdown. Input from organizations that administer these programs and from limited-income customer advocates is helping us identify ways to improve customer notification and outreach efforts to prevent disconnections.

Last fall, a customer who had passed away was found in a home where power had been disconnected. All of us at APS shared in the family's sadness and mourned this tragedy.

The factors that led to that disconnection and outcome are not few or simple. That is why I directed APS to temporarily suspend all disconnections until we could complete a thorough review of our disconnect policies. Our review started immediately. Employees throughout APS are dedicated to improving our procedures and examining resources available to customers who need extra support.

The Commission submitted to me 67 questions related to APS's practices surrounding service disconnections. My colleagues and I will be prepared to address these questions during our time at the Commission on September 4th. We are submitting the attached written responses as you requested.

Thank you for the opportunity to explain more about our policies. Our work will continue with a special focus on assisting customers who are behind with their bills when the Commission's disconnect moratorium concludes on October 15th.

I am confident that collectively we can find solutions that better support Arizonans in need. APS will do our part in continued partnership with customer advocates and support agencies, and in line with any future changes to the Commission's rules.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'A' followed by a series of loops and a long horizontal stroke.

Attachments

c: Docket Control

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QUESTIONS REGARDING
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ACC 1.1: What procedures are in place for customers to notify the company of health, age, and medical device related considerations regarding energy access?

Response: APS does not request information on our customers' age or other demographic data.

APS does require some income, health and medical equipment information to be provided to qualify for specific programs or rates. The currently available programs are described below:

APS has a program to assist customers who have a medical condition or illness that requires the use of electric medical equipment. The Medical Care Preparedness Program (MCP) is an outage notification program where APS provides advance notice of planned outages that will affect a customer with life-sustaining medical equipment.

The procedure for enrollment in MCP is through APS's website (www.aps.com/assistance) or with a Customer Service representative through the Company's call center.

APS's Medical Care Equipment Program (MCEP or E-4) is also available to those customers with a qualifying medical condition or required medical equipment. Customers who qualify for our limited income program that enroll in this program can receive a 35% discount. Please see the Company's response to Question ACC 1.9 for the process used by the customer to notify the Company of eligibility for that program.

The procedure for enrollment in the MCEP is outlined in APS's response to ACC 1.9.

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ACC 1.2: What procedures are in place for customers to add a third-party agent to their accounts for notification, payment, and account management? Third Party Designees

Response: APS offers a program referred to as Safety Net. Under the Safety Net program, any residential customer may designate a friend, relative, partner, or community agency as a third-party agent to assist the customer in managing his or her bills. The third party receives a copy of the customer's monthly bill and any disconnect notices that may be issued. No other account information is provided, and the third party is not financially responsible for payment of the customer's bill.

For safety and privacy purposes, only the customer whose name is on the account can designate a Safety Net third party. Customers can sign up to participate in this program through the APS website (www.aps.com/safetynet) or by speaking with a Customer Service Representative.

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ACC 1.3: The rules allow the utility to contact a customer designee third party if there are any issues with the account. What are the challenges with making this designation a requirement for members of our vulnerable population?

Response: Without direct customer input, APS has no ability to identify "vulnerable" customers. Further, customers may resist a third-party designation requirement and may view such a requirement as insulting or an intrusion into their privacy.

As outlined in the response to ACC 1.2, and consistent with Commission rules, the third-party designee receives only a copy of the customer's monthly bill and any disconnect notices. No other account information is provided.

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ACC 1.4: What is the process now for contacting the designee in the case that a customer's service is being disconnected?

Response: After a customer has enrolled in the Safety Net program, the third-party designee receives copies of the customer's monthly bills.

In the case that a customer's service is going to be disconnected, the third-party designee receives a copy of all bills and letters which include: disconnection warnings including the amount of delinquent balance, the disconnect date, the amount that needs to be paid to avoid disconnection prior to the disconnect date, and the availability of payment plans.

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ACC 1.5: What resources are made available by the company to notify non-English speaking populations of disconnect policies?

Response: APS does not ask customers to self-identify if they speak English, Spanish or any other language. Customers do, however, have the option to select Spanish as their preferred language for APS communications. After a customer has self-selected Spanish, we provide newsletters, paper bills, bill messages, and bill inserts in Spanish. All door hanger notifications placed on a residence that is scheduled for disconnection have information in both Spanish and English.

In the Company's call center, a team of Customer Service representatives is designated to communicate with Spanish language preference customers.

APS also maintains a Language Bank, which is a list of employees who speak languages other than English or Spanish and are available to support customers.

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ACC 1.6: Describe the current process of APS for notifying customers of outside resources for bill assistance. Is there information to this effect listed on the APS website? On the APS mobile app?

Response: APS utilizes both mass marketing to all customers and targeted marketing to specific customer groups [for example, mailings to zip codes within APS's service territory with a high concentration of limited-income customers, Section 8 housing, LIHEAP (Low Income Home Energy Assistance Program) recipients, Native American customers, college students, and Sun City customers] to inform customers of assistance and programs available. These communications include:

- Outdoor Billboards;
- Mass digital advertising;
- Mass radio advertising;
- Bill messaging to all customers for program awareness;
- Bill inserts to all customers for program awareness;
- Customer newsletter articles;
- aps.com/support, aps.com/options, aps.com/assistance;
- Targeted direct mail for limited-income program awareness (for example, APS brochures advertising assistance programs are included in food-stamp, LIHEAP, and limited-income customer mailings);
- Live events such as APS's 100 Days of Helping events, APS booths at Home Shows, and other events where APS has a presence;
- Customer call center automated messaging;
- Limited-income partner agency live events [including City of Phoenix Volunteer Income Tax Assistance events, The Society of St. Vincent de Paul evening meals, Chicanos Por La Causa (CPLC) events, and others];
- Partner agency in-office visits with customers;
- Bill messaging; and
- Door hangers.

APS's Customer Service representatives also share this information when they interact with customers over the phone, by email, or via chat.

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ACC 1.7: Describe the current process and restrictions for switching rate plans at APS.

Response: To make a rate plan change, customers can either contact our call center and speak to a customer service representative or complete a rate plan change on aps.com using our online rate plan comparison tool. With either of these options, customers are presented their rate plan options (including which plan will produce the lowest bill), are able to make a rate plan selection that best fits their lifestyle, and are given tips about how to save energy and money.

As of June 2019, APS residential customers can make unlimited rate plan changes.

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ACC 1.8: Do APS customer service representatives make any effort to proactively reach out to customers who are late on payments to educate them of assistance options or repayment plans?

Response: APS reaches out to residential customers who are in arrears through bill messages, letters, automated calls, and door hangers to encourage those customers to contact the Company and discuss payment plans or other possible avenues of assistance. Each of these communications provides contact information to reach a customer service representative.

As an example, the door hangers include the following language in bold and red typeface: "*Bill assistance may be available for qualified customers*". Door hangers also provide telephone numbers for appropriate agencies if customers need bill assistance. The door hangers further direct customers to APS's website, which provides phone numbers and links to various community programs, information on the Safety Net program (see Responses to ACC 1.2, 1.3, and 1.4), information on energy assistance programs, crisis bill funding availability, and other programs that may be able to provide financial assistance to the customer.

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ACC 1.9: What is the process a customer must go through to qualify for low-income assistance as an APS customer? Did Ms. Pullman qualify for low-income assistance programs?

Response: APS provides assistance to limited-income customers through several programs.

The Company's Energy Support Program (E-3), which provides a 25% monthly bill discount, requires customers to provide income documentation to a third-party vendor or to a social service agency, who then notifies APS of customer eligibility. To qualify for E-3, a customer must:

- Complete an application;
- Have income less than 150% of the federal poverty level; and
- Submit required documents to the third-party vendor for income verification.

- If a customer has already qualified for public assistance, the Company will accept a card or award letter as proof of income from one of the following federal assistance agencies:
 - Supplemental Nutritional Assistance Program (SNAP); and
 - Temporary Assistance for Needy Families (TANF).

- APS's community partners (e.g., Maricopa County, St. Vincent de Paul, etc.) also have the ability to automatically enroll eligible customers who have sought assistance from their organization.

To qualify for the limited-income Medical Care Equipment Program (MCEP or E-4) 35% monthly bill discount, the customer must provide the income verification documentation noted above, as well as a verification statement from the customer's attending physician, which states that the customer has a medical condition or illness, which requires medical or life-support equipment. Customers can access the application for this program by either calling the APS call center or accessing aps.com. Qualifying customers enrolled in the E-4 are sent a welcome letter.

APS also supports the following assistance programs:

The APS Crisis Bill Assistance program provides temporary assistance to customers in an amount up to \$400 to cover a current or past-due APS bill. The program is administered by a network of

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Response to
ACC 1.9
continued:

non-profit community partners throughout Arizona, including Chicanos Por La Causa (CPLC), The Society of St. Vincent de Paul, and Wildfire's network of community partners. To receive this assistance, the customer must:

- Be the primary customer on the APS account;
- Be living in the residence where the bill is due; and
- Have a balance due on their APS bill (current or past due).

Tenants living in homes where the bill is rendered in the landlord's name do not qualify.

Customers can find more information on the Crisis Bill Assistance program, including how to find a community partner near them, at aps.com/assistance.

Project SHARE also provides assistance for customers that need help paying their energy bill. SHARE is funded by our employees, shareholders and customers, and administered through the Salvation Army. The Salvation Army selects SHARE recipients and distributes funds to customers who are age 60 or older living on a fixed income, under age 60 and experiencing a special hardship, or someone who is disabled. Customers are encouraged to contact their local Salvation Army Office to find out if they qualify and how to access SHARE assistance.

The Weatherization Assistance Program helps customers lower their energy bills by making energy efficient improvements to the home. Customers apply for weatherization through a local Community Action Partnership agency (Community Action Partnership is a non-profit membership organization that provides technical assistance and training to state and local agencies receiving federal funding) and must have income at or below 200% of the current federal poverty level. Single-family homes, multi-family homes, and mobile homes or trailers can qualify for the Weatherization Assistance Program as long as the residence is the customer's primary home in Arizona.

For further community information and referral resources, such as veteran groups, community action programs and religious organizations, customers can call 2-1-1 or go to 211arizona.org for utility and bill assistance.

As to Ms. Pullman's status, the Commission's rules do not permit APS to disclose customer-specific information publicly.

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ACC 1.10: In the latest Annual Report filings to the Commission the requirement to include disconnection data was waived for APS. As far as you know, has this requirement been eliminated for any other utilities in the state?

Response: It is APS's understanding that the 2018 Electric Utility Annual Report template Staff provided applied to all Arizona electric, water, and wastewater utilities.

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ACC 1.11: What role did APS play in advocating for changes to disconnect reporting in the Annual Report filings?

Response: None. APS neither requested nor advocated for a change in disconnect reporting requirements in Annual Report filings.

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ACC 1.12: In 2018 there were over 110,000 customer disconnections. In 2017 that number was 55,792. In 2016, that number was 88,429 and in 2015, that number was 77,929. What is the cause for such a sharp increase in disconnections?

Response: The number of disconnections in both 2017 and 2018 are unusual because, out of an abundance of caution and in line with industry best practices, APS suspended customer disconnections from February 24, 2017 through May 22, 2017, while the Company implemented a new customer billing system. As a result, the 2017 disconnection numbers are lower than normal because disconnections that might have otherwise occurred in 2017 were delayed into 2018, making the number of 2018 disconnections higher than normal.

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ACC 1.13: Are you aware of Decision No. 67744 in 2005 that allowed APS's disconnection requirements, including liability from harm and the requirement for a personal visit, to be less than the Commission rules require?

Response: APS has complied with the Commission's disconnection rules and with its Service Schedule 1. In the case of a conflict between the rules and a Commission-approved tariff, the approved tariff prevails. See A.A.C. R14-2-212.I.

This question refers to two topics: 1) liability from harm, and 2) the requirement for a personal visit.

The specific language regarding liability from harm was included in 1982, when wholesale changes to Commission rules and regulations took effect. The liability language was then revised in APS's Service Schedule 1 and approved by the Commission in July 1982.

Due to advanced metering technology, access issues, and personnel safety, APS proposed eliminating personal visits to customer residences, and the Commission approved this revision to Service Schedule 1 in Decision No. 67744 on April 1, 2005.

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ACC 1.14: Which APS employees were involved in Decision No. 67744, specifically the part regarding changes to Schedule 1 7.1? Are any of them executives within the company today?

Response: Mr. David Rumolo, Manager of State Pricing, provided testimony on the Company's Service Schedules, including Service Schedule 1, in the rate case that concluded with Decision No. 67744 on April 1, 2005. Mr. Rumolo has long since retired from APS, and the Company has no records of specific involvement by other employees from almost 14 years ago.

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ACC 1.15: How and why did APS decide to request changes to Schedule 1 7.1?

Response: APS requested changes to Section 7.1 of Service Schedule 1 due to advanced metering technology, access issues, and personnel safety.

Please also see the Company's response to 1.14.

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ACC 1.16: Before the incident surrounding Ms. Pullman, when your third-party contractors visited homes to leave door hanger notices were, they required to make 'personal contact'? Did they attempt to make personal contact with customers? Did they knock on the doors? Did they initiate conversations?

Response: In the past, customers have sometimes threatened and even injured employees or contractors when told their power is at risk of disconnection for non-payment. To protect our employees and contractors, APS instructs them not to knock on customer doors or ring doorbells when visiting a residence to place a door hanger.

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ACC 1.17: Commission Rule A.A.C. R14-2-211(E)(4) requires the utility to "make a personal visit to the premises" prior to disconnection. How does the company interpret this requirement? Does the company believe that hanging a door hanger is sufficient to satisfy this requirement?

Response: Due to advanced metering technology, access issues, and personnel safety, APS proposed eliminating personal visits to customer residences, and the Commission approved this revision to Service Schedule 1 in Decision No. 67744 on April 1, 2005.

In the case of a conflict between the rules and a Commission-approved tariff, the approved tariff prevails. See A.A.C. R14-2-212.I.

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ACC 1.18: How long has the company used a third party to serve this function?

Response: APS has employed a third-party contractor to distribute disconnect door hangers since 2008. However, in remote locations within the Company's service territory, an APS employee may place the door hanger at the customer's residence.

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ACC 1.19: Does the third party ever have personal contact with the customer?

Response: On occasion, a third party contractor may have personal contact with a customer while delivering a door hanger. Please see the Company's response to Question 1.16.

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ACC 1.20: How does the company ensure that the door hanger was delivered?

Response: APS tracks and documents delivery of door hanger disconnection notifications through the third-party contractor's mobile device. The device tells them which address to travel to, tracks their route in real time, and records successful delivery of the door hanger.

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ACC 1.21: Does the company retain files of the contact made by the third party? What type of verification was in place and documentation required at the time of the contact with Ms. Pullman? Has the verification changed since that time?

Response: Yes, the Company retains records that demonstrate when a door hanger was delivered as described in our response to ACC 1.20. This verification and documentation process has not changed since September 2018.

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ACC 1.22: If we were going to require documentation of this contact, what would you propose?

Response: As explained in the response to ACC 1.20, APS has electronic documentation of door hanger delivery.

The Company employs software that requires the contractor to log each step of the notification process. At the beginning of the day, the contractor receives a tablet which contains a pre-planned route of customer residences where a door hanger is to be placed. The contractor then manually logs arrival at the residence and manually logs when he or she leaves the residence. The software then determines the time spent traveling to the next residence where the contractor logs his or her arrival. The software uploads directly to the Company's work management system in real-time.

In addition, the Company added GPS tracking software to its vehicles and can monitor vehicle usage and other analytics in addition to the software described above.

The Company keeps the electronic documentation for a period of 7 years in accordance with our retention policy.

APS believes this documentation is sufficient. However, as we review our disconnection practices and procedures, these procedures may be revised or enhanced.

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ACC 1.23: Many have made the claim that higher than advertised rates following the most recent APS rate case have led to an increase in disconnections in 2018. Do you have any proof that increased rates and an increase in disconnections are not related?

Response: Rates approved by the Commission in APS's most recent rate case are just and reasonable. Decision No. 77292 (July 19, 2019) found that the complainant in that matter did not prove that APS calculated the impacts of the approved rates incorrectly, and did not prove that APS did not properly implement the approved rates.

As discussed in the response to ACC 1.12, the increase in 2018 disconnections is a direct result of APS's suspension of disconnections for three months in 2017 as a new customer billing system was implemented. The average number of customer disconnections for the years 2017 and 2018 are similar to the average number of disconnections for the past six years:

Historical APS Total Disconnects					
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
74,599	69,585	78,007	88,512	55,841	110,135
Average for 2017 and 2018: 82,988					
Average for all six years: 79,446					

As a result of the suspension, the 2017 disconnection numbers are lower than normal because disconnections that might have otherwise occurred in 2017 were delayed into 2018, making the number of 2018 disconnections higher than normal, but on average were in line with history.

Further, average monthly residential bills are 6.5% lower today than they were in August 2017 due to changes in adjustment mechanism prices (primarily related to tax reform and lower fuel costs savings).

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ACC 1.24: Ms. Pullman had a door hanger notification placed at her residence on September 5, 2019. Her power was disconnected on September 7, 2019. This would not have given Ms. Pullman enough time to mail in a payment even if she responded immediately to the notification. The previous month, in August, Ms. Pullman also received a door hanger notification. In that instance, APS accepted payment six days after that notification was delivered without disconnecting power. Why was there a discrepancy in policy between August and September? Isn't it reasonable to assume Ms. Pullman felt she may have had additional time to respond to the most recent door hanger notice based on historical precedent?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.25: Why was Stephanie Pullman's power disconnected two days after she paid \$125 toward her bill? Is that typical?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.26: Was there any attempt to notify Pullman that the payment would not satisfy her bill and would not forestall the disconnection of her power?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.27: Do you believe this disconnection fits within our disconnection rules in September 2018?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.28: Under the Commission's emergency rules, would the utility be able to disconnect that customer?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.29: When the door hanger was delivered on September 5, 2019 a partial payment of \$125 was received the same day. That payment was made, according to APS, by a 'third-party'. Can you clarify what that means? Do you know specifically in this case what method was used to make the payment (i.e. online, in-store, through a family member or agency, etc.)?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.30: Is there any evidence to suggest the payment was made in response to receiving the door-hanger notification, or was the same-day payment merely coincidental?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.31: What is the current delinquent amount that customer accounts must accrue in order to be disconnected?

Response: APS follows the emergency rules approved by the Commission that state a residential customer cannot be disconnected when the outstanding balance is less than or equal to \$75. Prior to the enactment of the emergency rules, it was APS's practice to disconnect if the delinquent amount was \$50 or greater.

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ACC 1.32: After reviewing Ms. Pullman's billing history, can you tell us whether her average monthly bill was higher or lower than it was prior to the most recent rate case?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.33: When Ms. Pullman's daughter, Ms. Smith, contacted ACC Staff, an inquiry report was created, and APS was notified. Please describe APS interactions with Ms. Smith, following notification of her inquiry.

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.34: When was APS made aware that Ms. Smith, felt electric disconnection may have played a role in Ms. Pullman's death?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.35: Were legal attempts ever made to enter into a settlement agreement with Ms. Smith pending non-disclosure?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.36: Following news of Ms. Pullman's death, the Commission passed an emergency moratorium on disconnects until October. To date, how many disconnections have been prevented by this moratorium?

Response: As of August 12, 2019, there are approximately 54,000 residential accounts that are more than 30 days in arrears, with delinquent balances ranging from \$75 to over \$14,000. These customer accounts would have received disconnection notices, and ultimately been disconnected if no payment was made, except for the moratorium established in the emergency rules.

Please note that actual number of disconnects for non-payment prevented by the moratorium is difficult to quantify as customer payment behavior has been altered because of the moratorium. Some customers who would have made some payments before the moratorium, have now stopped paying during the moratorium.

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ACC 1.37: To date, how large are unpaid bill accruals following the disconnection moratorium? How large do you expect them to grow to during the four-month disconnection period?

Response: It is difficult to predict customer behavior related to payment or lack of payments during the moratorium. However, unpaid bills are accruing at a much faster rate compared to the same period last year. The total delinquent dollars increased from \$5.3 million as of May 31, 2019 to \$17.2 million as of August 12, 2019. Comparatively, on July 31, 2018 delinquent dollars were \$6.7 million.

APS has initiated a "Don't Wait to Pay" campaign to remind customers that they maintain an obligation to pay their bills and encouraging them to contact the Company for payment arrangements, payment and crisis assistance referrals. Extensive efforts are being made to communicate with customers about programs and resources designed to help manage their bills, with the end goal of avoiding and mitigating bill delinquency.

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ACC 1.38: What changes have the company made since implementation of the emergency disconnection rules?

Response: APS has been focused on implementing the Commission's approved emergency rules. APS has suspended residential disconnection and late fees, and APS is providing notice to the customer consistent with the emergency rules.

As discussed in ACC 1.37, we are making extensive efforts to communicate with customers about programs and resources designed to help manage their bills, to help customers avoid and mitigate bill delinquency. The "Don't Wait to Pay" campaign will remind customers that the moratorium expires on October 15, 2019 and that the customer continues to be responsible for paying their bills.

As discussed in earlier responses, APS has begun a thorough review of its disconnection process and procedures with recommendations due to Mr. Brandt on August 30, 2019.

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ACC 1.39: The rules require the company to send disconnection notices in the summer that explain the customer's power will remain on due to Commission policy- does the company intend to track those 'would be' disconnection letters?

Response: Yes. The company will track notifications sent to customers during the moratorium. As of the first billing cycle in August, APS will communicate to customers who would otherwise have been disconnected during the moratorium period via bill inserts and e-mails. These communications include the information required in the Commission's emergency rulemaking.

Customers who would have been disconnected and have opted to receive electronic bills will receive an email communicating the same information included on the bill insert. APS is also able to track which customers receive emails.

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ACC 1.40: Will the company be able to report in the Fall how many customers have been forced on to the four-month payment plan?

Response: Yes, the Company will be able to report the number of customers who have chosen a four-month payment plan or paid the outstanding balance in full.

APS has also been reviewing its disconnect processes, including those mandated under the emergency rules, in conjunction with stakeholders (such as RUCO, AARP, Wildfire, The Society of St. Vincent de Paul, PIRG, Chicanos Por La Causa, SWEEP and others) to identify opportunities to support customers with past-due balances, particularly after the moratorium period. Based on the review of the rules and our discussions with these stakeholders, we will automatically enroll customers with past-due balances on four-month payment plans at the conclusion of the moratorium. Each customer will receive advanced communication of the payment plan; however, they will be given an option to pay the balance in full or contact us for other options.

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ACC 1.41: According to company responses to requests for additional incident data APS noted that there were four additional occurrences where disconnections for non-payment have been alleged to have had an impact on the health of a customer. Two additional deaths were acknowledged. Each resulting in a settlement agreement between APS and the families of the deceased. Did these settlements result in financial payments by APS? If so, were these payments paid for with ratepayer funds?

Response: The Commission's rules do not permit APS to discuss customer-specific information publicly. The confidential response has been provided to Commissioners and Staff under separate cover.

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ACC 1.42: Following this incident with Ms. Pullman, what steps has APS taken internally to address the failures of the current system?

Response: First, APS's practices and procedures complied with the Commission's rules and APS's tariffs as approved by the Commission. However, there are opportunities to improve and enhance the process.

During the moratorium, APS immediately began working with stakeholders on additional ways for APS and the community to support our customers in extreme weather situations.

APS has also begun a thorough review of its disconnection processes and procedures, with recommendations and a report due to Mr. Brandt on August 30, 2019.

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ACC 1.43: Has the company met with, or communicated with, other major utilities around the country to understand how they handle weather related disconnections?

Response: Yes. APS has been and is continuing to solicit feedback from other electric utilities across the country for best practices on how they handle weather-related circumstances.

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ACC 1.44: What changes to ACC disconnection policies do you feel should be made?

Response: As discussed in earlier responses, APS is conducting a thorough review of its disconnection process and procedures with recommendations due to Mr. Brandt on August 30, 2019. These ideas might inform the formal rulemaking process.

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ACC 1.45: Please be prepared to discuss the company's disconnection policy and practice in September 2018.

Response: We will be prepared to discuss our disconnection policies.

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ACC 1.46: Can you describe the notices that are given to customers who have fallen behind on their bills?

Response: As referenced in the response to ACC 1.8, we provide customers multiple notifications in an effort to prevent a disconnection.

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ACC 1.47: How much time are customers given to try to pay down their bill?

Response: Customers may establish a single month payment arrangement for the delinquent amount due upon their next bill via a self-serve channel (automated phone system, aps.com or APP). Alternatively, a customer may speak to a Customer Service representative and request additional time and set up either a single month or multi-month payment arrangement to prevent the disconnection for non-payment based on the customers' individual circumstances. In special circumstances, the Company has made payment arrangements with its customers for up to twelve months.

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ACC 1.48: How does the company typically respond to partial payments of a delinquent bill?

Response: Prior to the Commission's emergency rules adopted in June 2019, a customer that made a partial payment on a delinquent balance that lowered that balance to less than \$50 would not be disconnected. Alternatively, if a partial payment was made in accordance with an agreed-upon payment arrangement between the customer and the Company, the customer would not be disconnected.

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ACC 1.49: Does the company notify the Commission regarding complaints made to the company by a customer alleging an unfair disconnection?

Response: No. APS does not notify the Commission of customers alleging unfair disconnects; rather, an attempt is made to resolve all customer complaints directly.

If customers are dissatisfied with the Company's attempt to resolve his or her concerns, they have the option to escalate a complaint to the Commission's Consumer Services group, per the Commission's standard complaint resolution process.

Upon notification of an inquiry or complaint by a customer to the Commission, APS personnel investigate the customer's allegations and work with the customer to resolve the matter in accordance with Commission regulations and APS's tariff. APS reports its findings to the Commission whether or not a resolution is reached.

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ACC 1.50: We understand the company is completing a review of their disconnection policy- where is the company at in that process? What changes do you expect?

Response: We are reviewing our disconnection policies and procedures, with recommendations due to Mr. Brandt by August 30, 2019.

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ACC 1.51: Please describe: The effects of the disconnection moratorium both before and after June 20, 2019, including, but not limited to, the status of customer accounts in arrears after the moratorium and the efforts APS have made to communicate the moratorium and the options to customers.

Response: For status of accounts in arrears, please refer to the Company's response to ACC 1.36.

As stated in our response to ACC 1.39, specific details regarding the moratorium are shared with customers who would have received a disconnect notice if not for the moratorium in the following channels:

- Bill Inserts
- Email

In order to inform residential customers that there are programs and resources that can provide bill assistance, APS is using the following communication channels:

- aps.com (banners, webpages, pop-up messaging)
- Social Media
- Bill Newsletters, Inserts and Messages
- Email
- Direct Mail
- Automated Phone Messaging
- Community Agency Posters

APS will deliver more targeted messaging to a subset of residential customers who would have received a disconnect notice had it not been for the moratorium. This includes our "Don't Wait to Pay" campaign. This messaging is intended to help customers understand that they should not wait to pay their bill and provide payment arrangement information and availability of bill assistance. Channels for this messaging include:

- Bill Inserts and Messages
- Email
- Outbound Dialer
- Outbound Advisor Calls
- Door Hangers

In addition, a new landing page (www.aps.com/support) has been added to aps.com with information specific to the moratorium as well as all programs and resources available to our customers in need.

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ACC 1.52: Please describe: The disconnection procedures of APS prior to the moratorium and any modifications APS intends to implement once the moratorium is lifted.

Response: Please see the following for descriptions of APS's disconnection procedures and practices prior to the moratorium:

- Customer Contacts Prior to Disconnection for Non-Pay
 - Bill Notice/Customer Letter – (Notice begins 28 days after the customer is billed) Notice of delinquent payment is printed on the next bill or letter mailed to the customer at least 7 days prior to disconnection. The notice of delinquent payment identifies the past due amount and the date scheduled for disconnection, as well as a telephone number where the customer may ask any questions. (A.C.C. R14-2-211(E)(1) provides for 5-day notice.)
 - Automatic Dialer – Automatic Dialer call is attempted when a contact number exists. (This is in addition to what the Commission rules require.)

"This is an important message from APS. Your service may be subject to disconnection within the next few days. To ensure continued service, please make a payment immediately using A-P-S dot com or by calling 602-371-6555, or 866-776-0445, if outside metro Phoenix. Thank you."
 - Door Hanger – After multiple contact with a customer by other means, and before power is disconnected for non-payment, an APS representative will attempt to personally deliver a door hanger to the customer's residence. If delivery of the door hanger cannot be completed (e.g., blocked or unsafe access), disconnection is temporarily delayed and additional customer contact is attempted.
 - The contacts with customers listed above are noted on their accounts.
- Disconnection for Non-Payment on High Heat Alert Days
 - APS does not disconnect service on High Heat Alert Days. APS relies on two different services for high heat warnings, NOAA (National Oceanic and Atmospheric Administration) and the Phoenix/Yuma Heat Alert Website at <http://sheridan.geog.kent.edu/hwvs/>. The Phoenix/Yuma Heat Alert Website was developed and is maintained by Kent

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Response to
ACC 1.52
continued:

State University. The system used by the website was developed by researchers in the Center for Climatic Research at the University of Delaware and Kent State University. It is sponsored locally by SRP, the State Energy Office and DES. If one of these service issues a High Heat Alert, APS suspends disconnection on that day. (Prior to its adoption of emergency rule amendments in June 2019, the Commission rules did not address heat.)

- Disconnection for Non-Payment on Low Temperature Days
In accordance with A.C.C. R14-2-211(A)(5)(c); and R14-2-201(46), APS uses 32 degrees as the point in which the Company stops disconnections for non-payment for low temperatures. APS refers to the NOAA (National Oceanic and Atmospheric Administration) and weather.com to obtain this information. If one of these websites forecast the high temperature of 32 degrees or less, APS suspends disconnection on that day.

- Weekends or Holidays

APS does not disconnect services on weekends or on the following holidays: New Year's Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day. APS will also not disconnect the business day before Veteran's Day, Thanksgiving, and Christmas.

- Delinquency Amount

If the delinquent amount owed by a residential customer, including incurred fees and/or deposit requirements, is below \$50, APS's billing system is programed not to begin disconnection procedures.

As for the modifications that APS plans to implement once the moratorium is lifted, please see the answer to ACC 1.50.

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ACC 1.53: Please describe: The procedures employed by APS to assist customers in arrears, including work-out plans and options for pay-over-time.

Response: Please see the Company's response to ACC 1.47 for information on how we work with customers to set up payment arrangements. In addition, please see the Company's response to ACC 1.51 for details on how we communicate to customers about payment arrangements and other assistance options that are available.

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ACC 1.54: Please describe: The demographics of customers disconnected since 2016 and any known information about why the customer was in arrears (i.e. how many customers made partial payments and were still disconnected).

Response: APS does not maintain demographic data on its customers or retain historic arrears information at the customer level. Please also refer to the Company's response to ACC 1.1.

Generally, the Company does not inquire as to the reasons why customers are in arrears. In 2018, 3,985 of the 105,206 residential disconnects for non-payment included partial payments that were not sufficient to prevent the disconnection.

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ACC 1.55: Please describe: The bill assistance available to customers, qualifying criteria, enrollment communications, and subscription to these programs.

Response: APS provides several forms of assistance to its customers, with enrollment criteria as outlined in the response to ACC 1.9, including:

- Energy Support Program (E-3), with an enrollment of 54,706 customers as of June 30, 2019;
- Medical Care Equipment Program (E-4), with an enrollment of 1,208 customers as of June 30, 2019;
- Crisis Bill Assistance, with support provided to 2,758 customers as of June 30, 2019;
- Salvation Army SHARE (Service to Help Arizonans with Relief on Energy); APS, its employees and customers have provided \$191,508 to the Salvation Army as of June 30, 2019;
- Limited Income Weatherization Project, with 155 homes receiving services as of June 30, 2019; and
- 2-1-1 Arizona.

For customer communications regarding enrollment see response to ACC 1.6.

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ACC 1.56: Please describe: Any additional allegations by customers that they were disconnected in violation of the Arizona Administrative Code Title 14, Chapter 2, Article 2, regarding Electric Utilities' Termination of Service between the years of 2009-to date.

Response: The APS Consumer Advocates Office handles customer complaints and retains its records for six years plus the current year in accordance with APS's retention policy.

A total of 152 customer complaints were received by the APS Consumer Advocates Office between January 2013 and July 2019, where the customer alleged they were disconnected in violation of the Termination of Service section of the Arizona Administrative Code. In five instances, APS's investigation found a customer was disconnected in error.

Four of the five disconnects were attributed to human error by customer service representatives who failed to place a hold on the account after a payment extension was granted. One error in 2015 was attributed to a system failure when the Company's former PrePay notification system did not issue an alert prior to disconnection. The notification system was subsequently updated to prevent future errors and employees received refresher training.

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ACC 1.57: Mr. Brandt, does APS have a written disconnect policy?

Response: The Company's disconnection process is governed by Commission rules as implemented by Service Schedule 1. Service Schedule 1 has been in place since 1954 and has since undergone several revisions that were approved by the Commission.

The disconnection process is programmed and automated into the Company's billing system. The Company also has desk procedures regarding the disconnection process and how to assist customers.

For a general overview of our disconnection practices, please see our response to ACC 1.52.

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ACC 1.58: Mr. Brandt, is that policy identical for both winter and summer seasons?

Response: No. Our internal practices include different protocols for High Heat Alert Days and Low Temperature Days, as described in our response to ACC 1.52.

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ACC 1.59: Did you, Mr. Brandt, approve APS's disconnect policy? If no, who did?

Response: No. As discussed in our response to ACC 1.57, APS's original Service Schedule 1 was developed and approved in 1954, was entirely rewritten in 1982, and has been revised several times in the intervening years.

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ACC 1.60: Other than the recent temporary moratorium on disconnects, has APS made any recent modifications to its disconnect policy? If yes, Mr. Brandt, did you approve those modifications? If yes, why and what are those changes?

Response: Other than the changes made to comply with the recently approved Emergency Rules adopted by the Commission on June 20, 2019, which included stopping disconnections between June 1 and October 15, APS has not made any recent changes to its disconnection practices.

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ACC 1.61: On June 13 of this year, APS announced that it would be temporarily suspending disconnection of customers that are behind on their payments to APS. Mr. Brandt, did you approve that press release? If no, who did?

Response: I directed the policy change that was communicated in the June 13th press release. It is not common practice for me to approve press releases. The Company has a process to draft and internally review press releases.

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ACC 1.62: Mr. Brandt, did you approve the temporary suspension of disconnects for customers that are behind in their payments to APS? If no, who did?

Response: Yes. On June 13th I directed that we immediately stop residential power disconnects for non-payment. In compliance with the Arizona Corporation Commission's Emergency Rules enacted on June 20, 2019, we will continue this policy into mid-October. We look forward to actively participating in the Commission's upcoming rulemaking and to collaboratively developing solutions that work for all of Arizona's utility customers.

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ACC 1.63: The June 13th press release states that APS will be working with community organizations, advocates for limited-income customers, and other public agencies on options to help customers. Mr. Brandt, has that work begun?

Response: Yes. APS hosted a working group of community organizations and advocates on Monday, June 17, 2019 and then again on Friday, June 21, 2019. More recently, as described in our response to ACC 1.40, RUCO has hosted these discussions and included the same agencies, as well as TEP and a representative from the regulated Arizona Cooperatives. This group has committed to continuing these discussions through the summer as we work to cooperatively find a stronger safety net for our customers.

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ACC 1.64: What organizations, advocates, and public agencies has APS worked with?

Response: APS regularly meets with external stakeholders who represent community organizations, advocates for limited-income customers, and other public agencies as part of normal business operations, supporting and assisting our customers. Since the Company's commitment in the June 13 press release, APS has met with the following stakeholders multiple times to discuss the emergency rules, future disconnect policies, and related customer communication and experiences:

- Wildfire;
- Southwest Energy Efficiency Project (SWEET);
- Chicanos Por La Causa (CPLC);
- Public Interest Research Group (PIRG);
- The Society of St. Vincent De Paul;
- AARP; and
- The Residential Utility Consumer Office (RUCO).

We are committed to continue meeting and collaborating with the stakeholders listed above, and others, on an on-going basis.

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ACC 1.65: Mr. Brandt, have you personally been involved in working with these organizations, advocates, and public agencies?

Response: Yes, I am very involved in The Society of St. Vincent de Paul and Chicanos Por La Causa, working on various programs and fund-raising efforts with these agencies.

I am not personally involved in the specific discussions with stakeholders regarding the Commission's moratorium on disconnections and the impact of the moratorium on our customers. APS's Chief Customer Officer, Stacy Derstine and members of her team and members of the Regulatory team have been directly involved in working with interested stakeholders throughout the summer to develop and propose revisions to our disconnection procedures and practices.

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ACC 1.66: Mr. Brandt, who from APS has been involved in working with these organizations, advocates, and public agencies?

Response: As discussed in our response to ACC 1.65, our Chief Customer Officer, Stacy Derstine, members of her team, and members of the Regulatory team, have been participating in regular update meetings with the stakeholders to discuss the implementation of the emergency rules and resulting impacts.

While the recent discussions with these parties have focused on the disconnect policies and practices, APS regularly meets with external stakeholders who represent community organizations, advocates for limited-income customers and other public agencies as part of normal business operations, supporting and assisting our customers.

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ACC 1.67: Mr. Brandt, what useful information has APS obtained in working with these organizations, advocates, and public agencies?

Response: The external stakeholder organizations provide input into the process, feedback on customer communications, and recommendations related to implementation of the emergency rules.

They have shared their concerns relating to:

- Increasing customer delinquent balances and impact post moratorium;
- The broader community issue of providing customer support beyond the role of any single utility; and
- Agency and other external stakeholder readiness to support customers who can't pay their bill when the moratorium ends.

The feedback and insight they provide has been valuable as our employees implement the moratorium and prepare for the end of the moratorium period in mid-October.